GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:2667
ANSWERED ON:02.08.2016
Dairy Loans
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

Will the Minister of AGRICULTURE AND FARMERS WELFARE ???? ?? ???? ?????? ??????
be pleased to state:

(a) whether the Government has fixed zero per cent interest rate on loans provided to farmers for agricultural purpose;
(b) whether the Government has noticed that interest rate on dairy loans is high compared to interest rate on agricultural loans;
(c) if so, whether the Government proposes to provide credit to farmers on zero per cent interest rate on dairy loans including purchasing of livestock through the nationalised banks which is a supplementary to agricultural sector; and
(d) if so, the details thereof along with the steps taken by the Government in this regard?

Answer

ANSWER
THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI SUDARSHAN BHAGAT)

(a) No, Madam.
(b) National Bank for Agriculture and Rural Development (NABARD) has informed that interest rates on loans and advances have been deregulated by Reserve Bank of India. With effect from 1st July 2010, banks are required to adjust their loans with reference to their Base Rate. However, in the case of crop loans upto Rs. 3.00 lakh for which interest subvention is available, banks charge farmers the interest rate as stipulated by Government of India.
(c) and (d) No Madam, However, the Department of Animals Husbandry, Dairying & Fisheries is implementing Dairy Entrepreneurship Development Scheme (DEDS) through National Bank for Agriculture and Rural Development (NABARD). This is a credit linked scheme, wherein back ended capital subsidy at the rate of 25% for General category and 33.33% for SC/ST category is provided for various dairy related activities including purchasing of livestock subject to norms of the scheme. This helps in reducing the interest burden on the beneficiary.
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